



# 3Q21 Earnings Presentation

Nov 5<sup>th</sup>, 2021





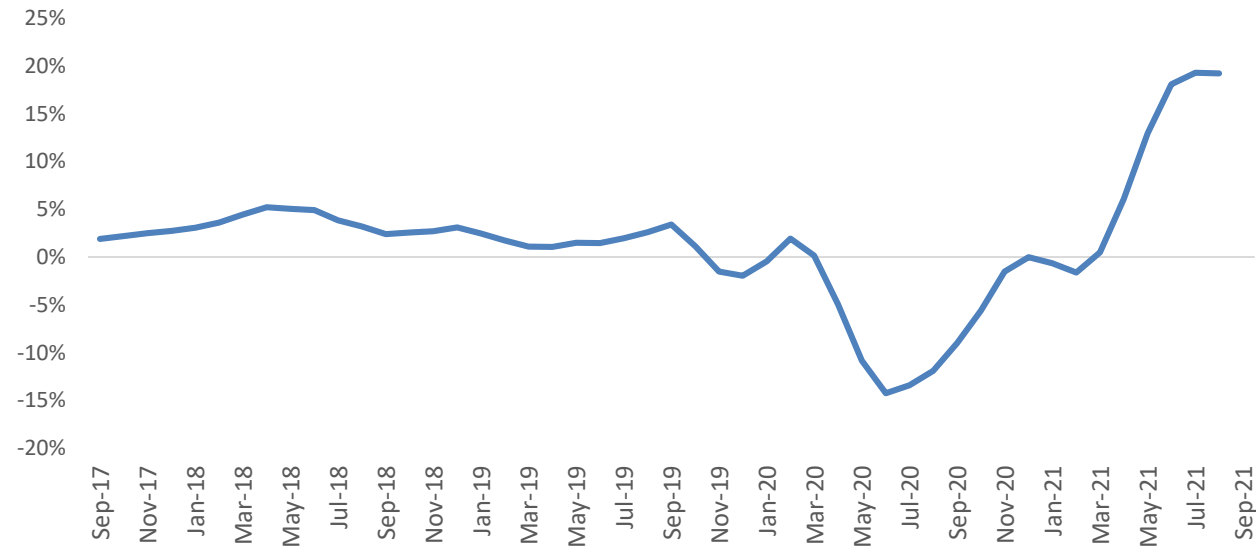
# Economic & Banking Industry Overview



# A demand led recovery...

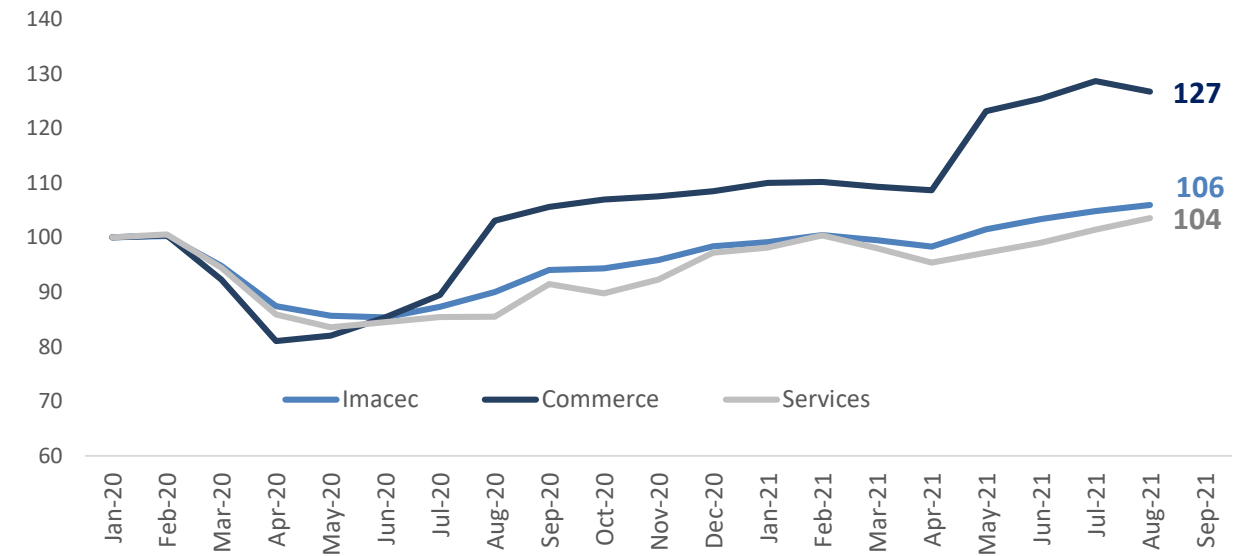
## Monthly Economic Activity

Ma3, YoY



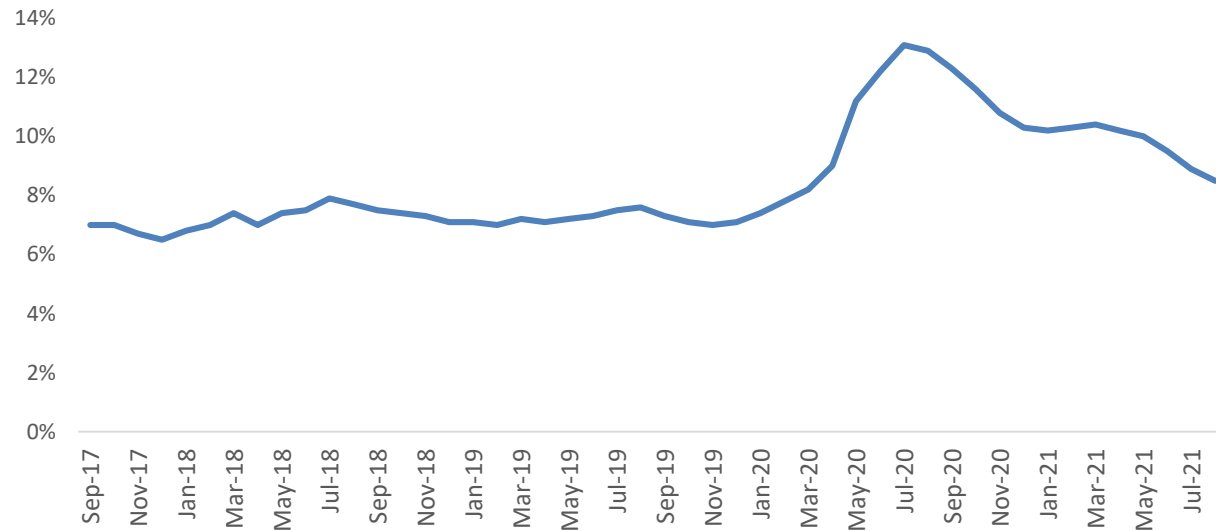
## Economic Activity

Jan 2020=100



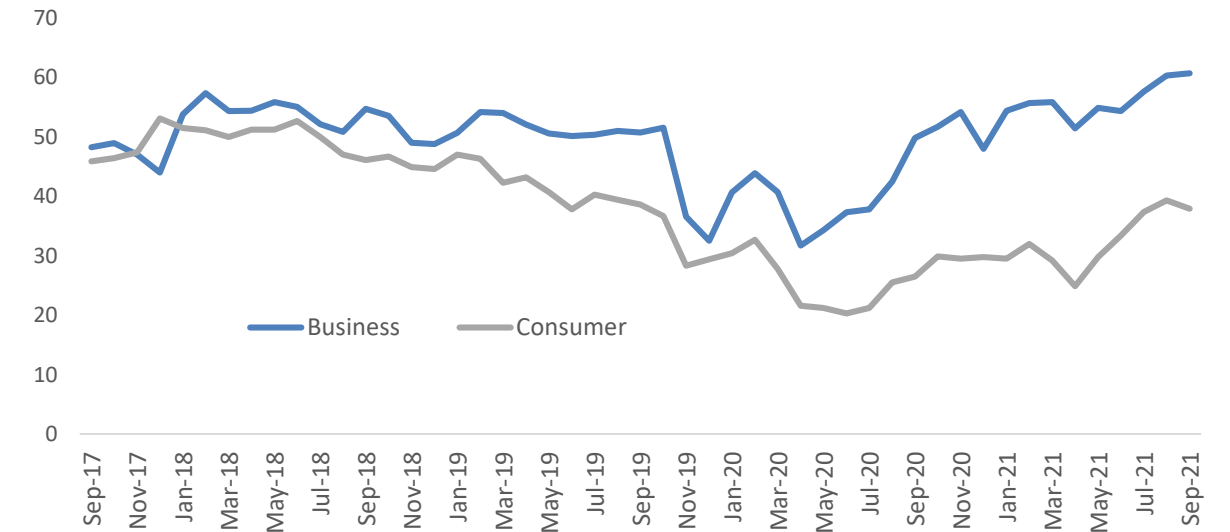
## Unemployment Rate

% of Labor Force



## Business and Consumer Confidence

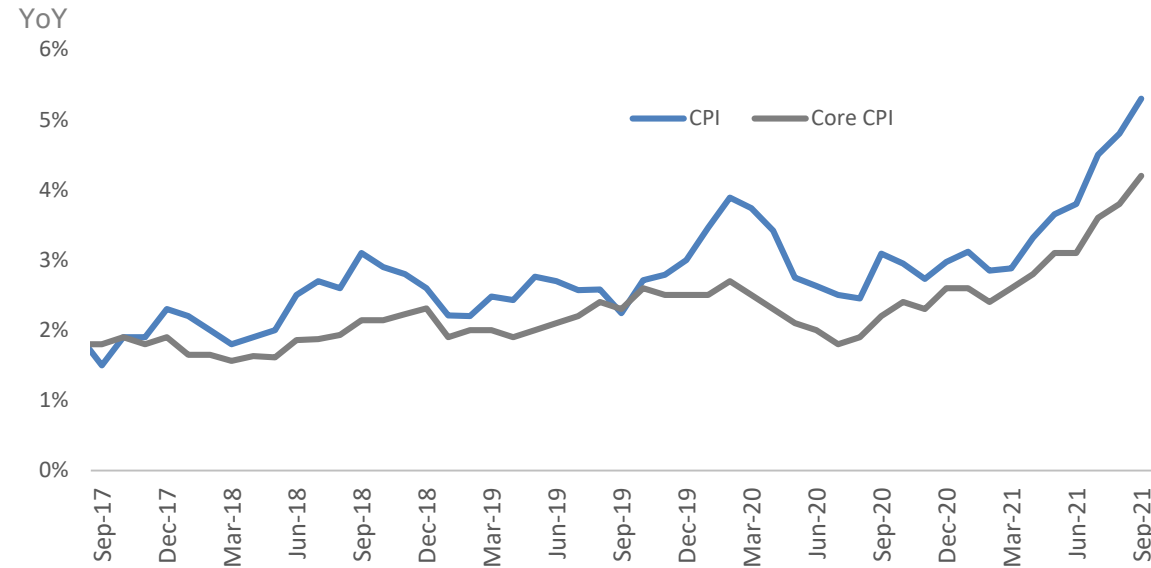
Diffusion index





# ...that raises inflationary concerns

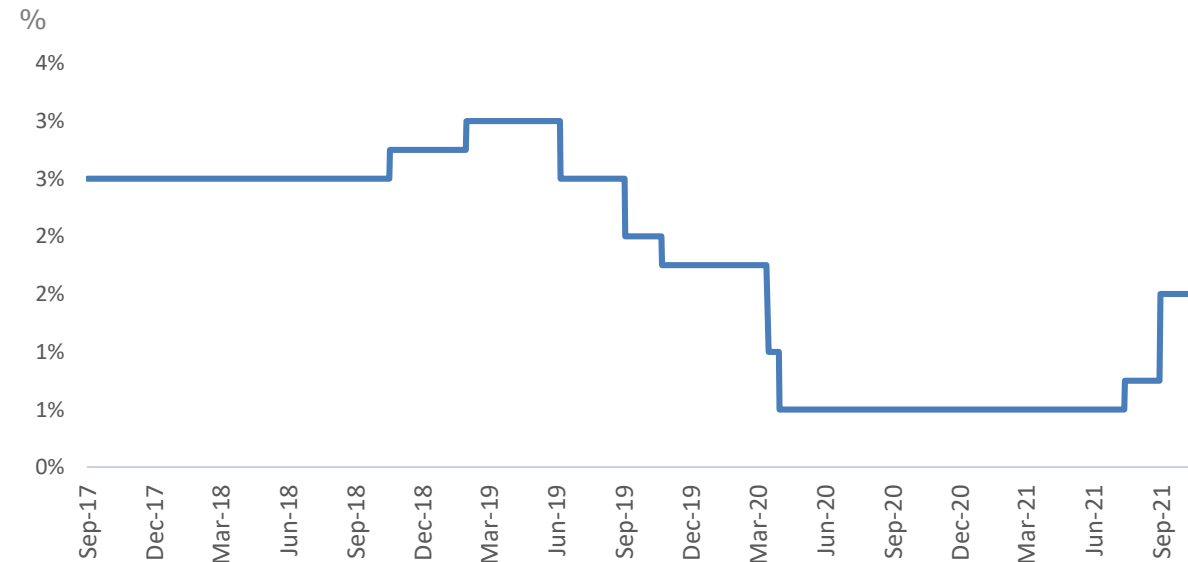
## Headline and Core Inflation



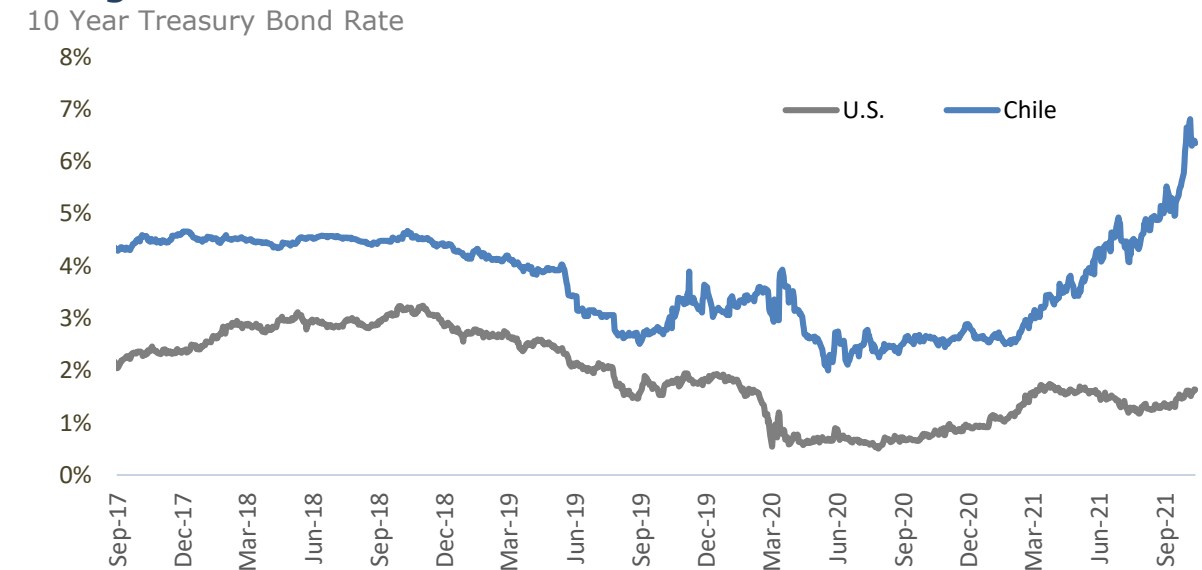
## Exchange Rate



## Monetary Policy Rate



## Long Term Interest Rate





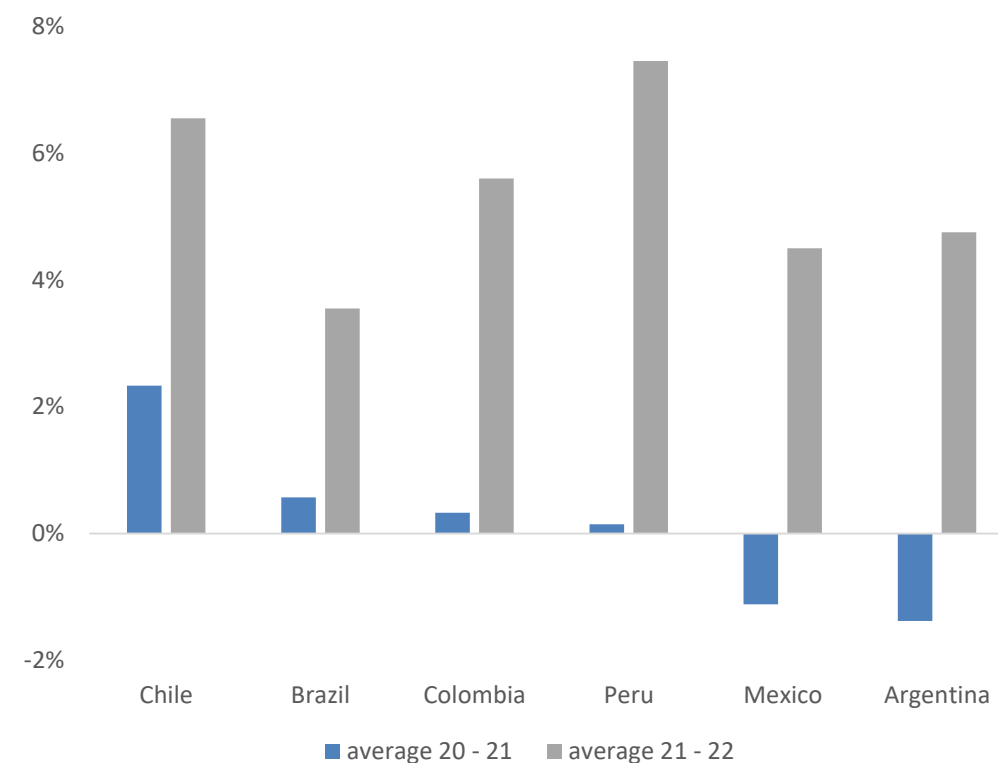
# Our view of the Chilean economy

(YoY, %)

	2018	2019	2020	2021f	2022f
GDP	3.7	0.9	-5.8	11.0	2.3
Consumption	3.7	0.8	-6.8	16.0	1.1
Gross investment	5.1	4.4	-11.5	15.0	1.7
Exports	5.3	-2.6	-1.0	0.5	6.0
Imports	8.1	-2.4	-12.7	23.0	2.0
CPI	2.6	3.0	3.0	5.8	3.8
Monetary Policy Rate (eop)	2.75	1.80	0.50	3.8	5.5
Fiscal Balance (% GDP)	-1.5	-2.6	-7.4	-9.5	-4.5
Current Account (% GDP)	-4.0	-3.8	1.4	-2.0	-2.4

## Average Expected Growth

Bloomberg consensus, Oct 2021



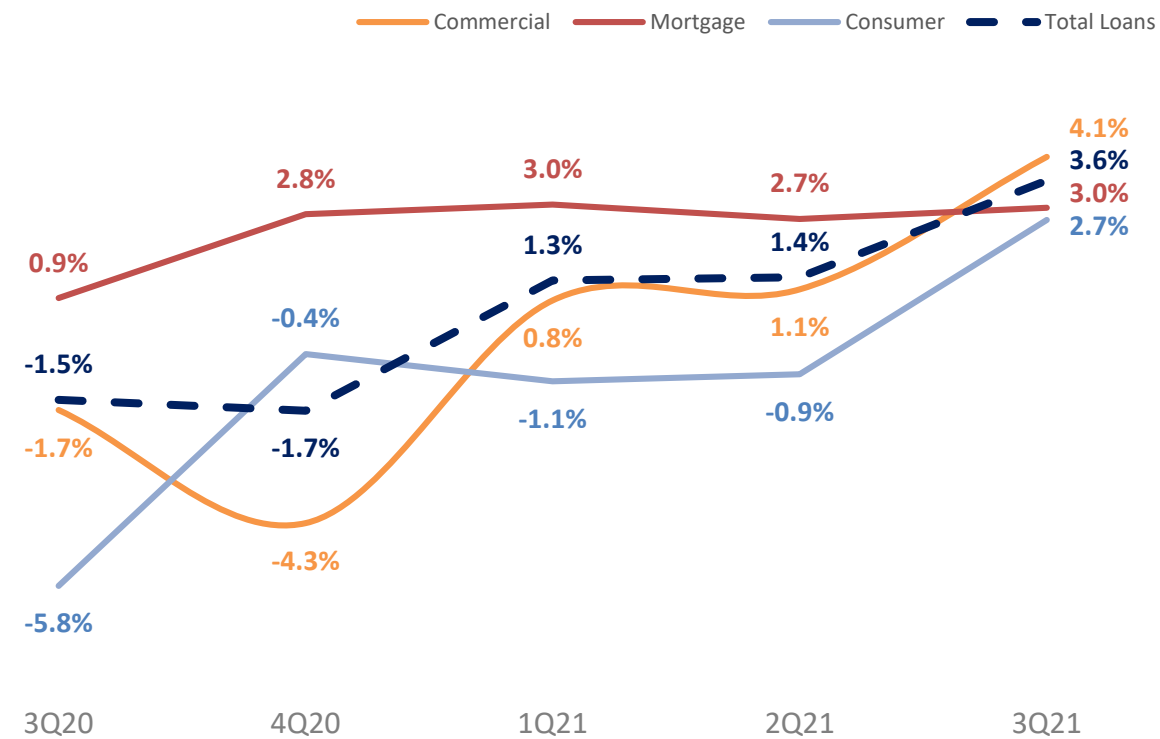




# Positive industry profitability despite weak portfolio growth

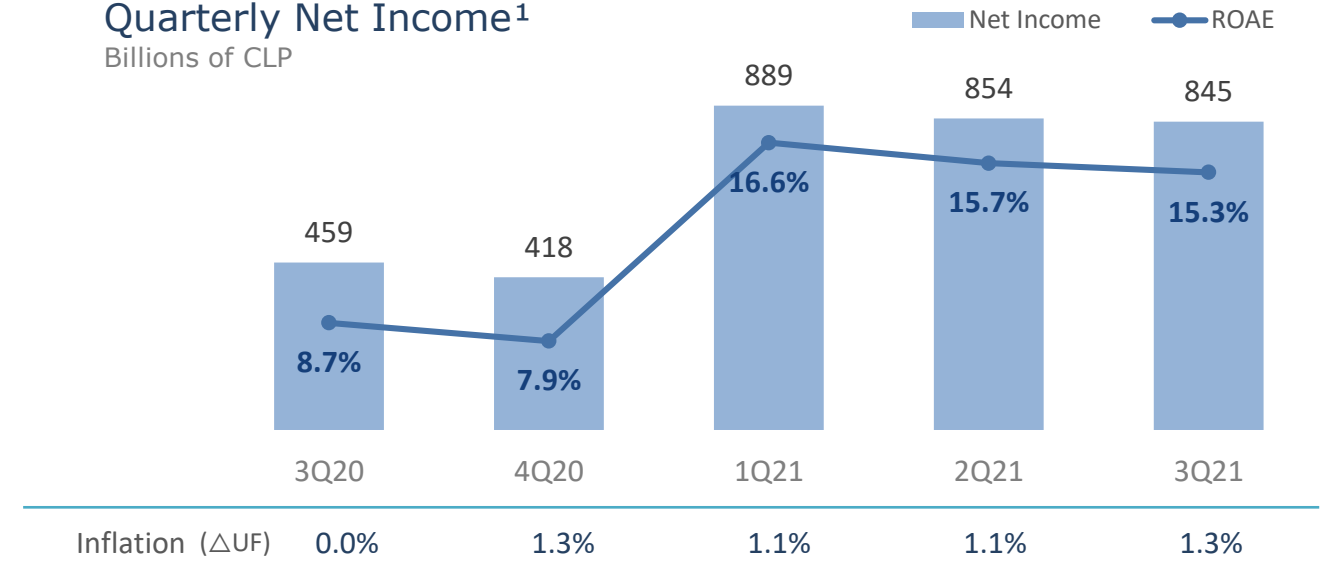
## Nominal Loan Growth

QoQ



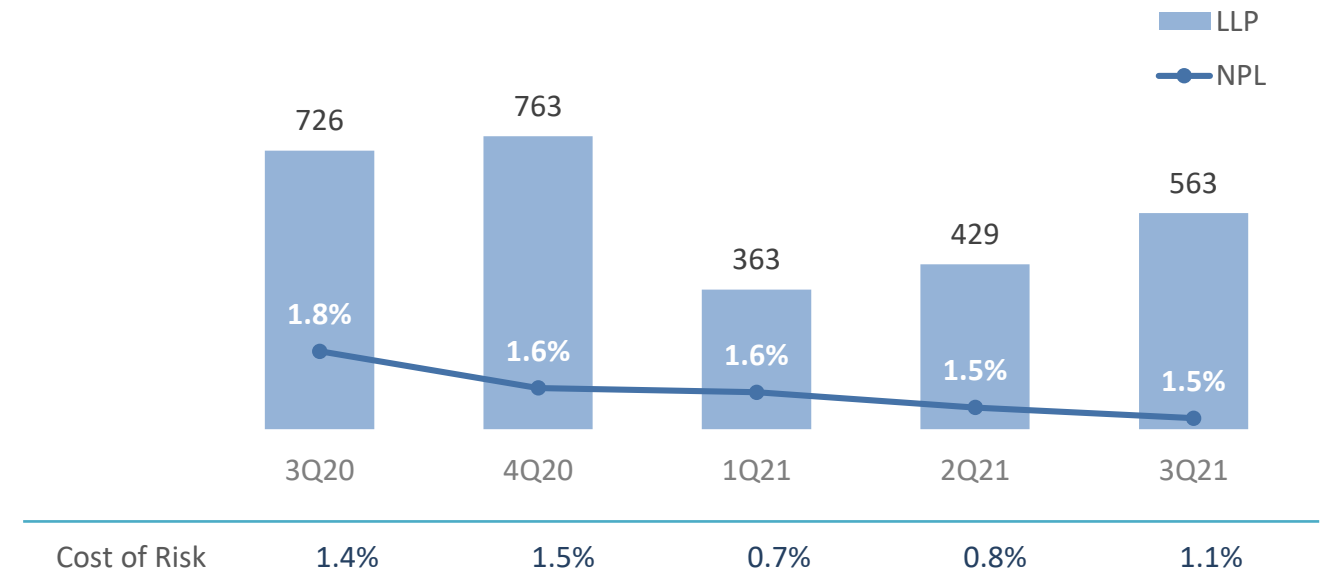
## Quarterly Net Income<sup>1</sup>

Billions of CLP



## Asset Quality

LLP in billions of CLP and NPL Ratio in %



1. Net income attributable to equity holders.



# Our Strategic Priorities and Advances



## | Key Pillars of our Strategy



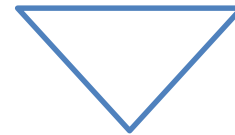
LEVERAGING  
DIGITAL BANKING



IMPROVING EFFICIENCY  
& PRODUCTIVITY



STRENGTHENING  
SUSTAINABILITY



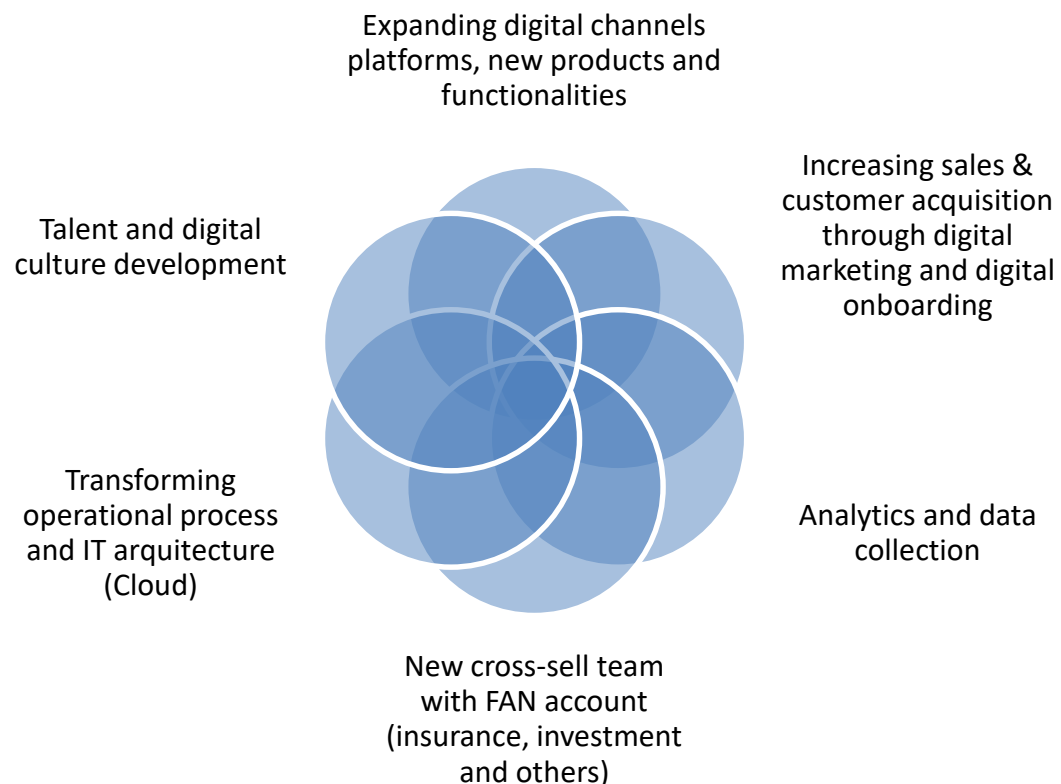
LONG-TERM PROFITABILITY



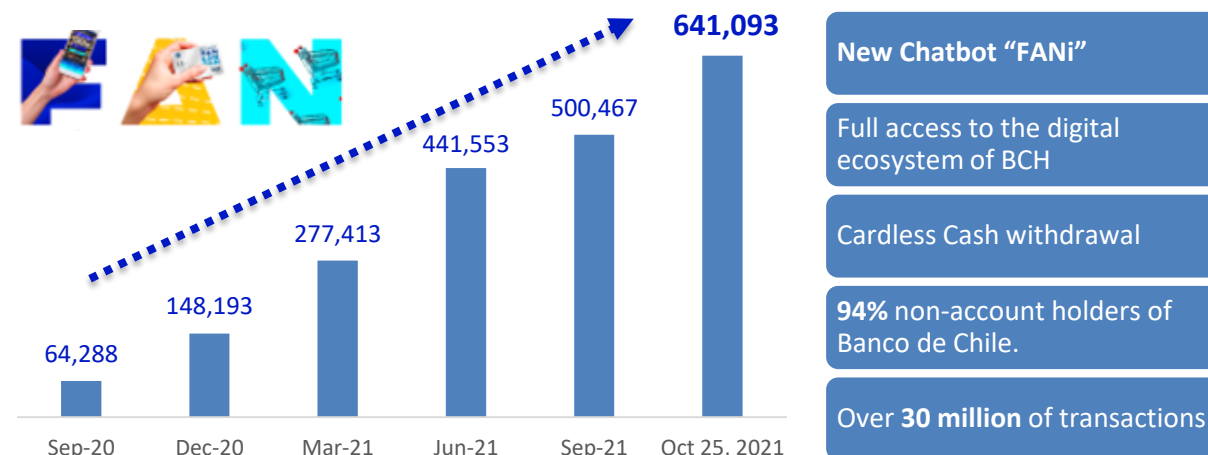


# Advances in Digital Banking

## Creating a digital driven organization



## Evolution of FAN customer base



## Personal Banking

- Self-service modules that include several functionalities in our branches.
- Smart Pay: payments by smartphone or smartwatch.
- QR code payments through the app Mi Pago for SME.



## Our customers have adopted BCH digital channels

3Q21 figures

**+41.4%** YoY  
Monetary transactions on Mi Banco (APP)

**+8.2%** YoY  
Monetary transactions on our webpage

**89%**  
Monetary transactions were made online in our channels\*



**Innovative Digital Bank**

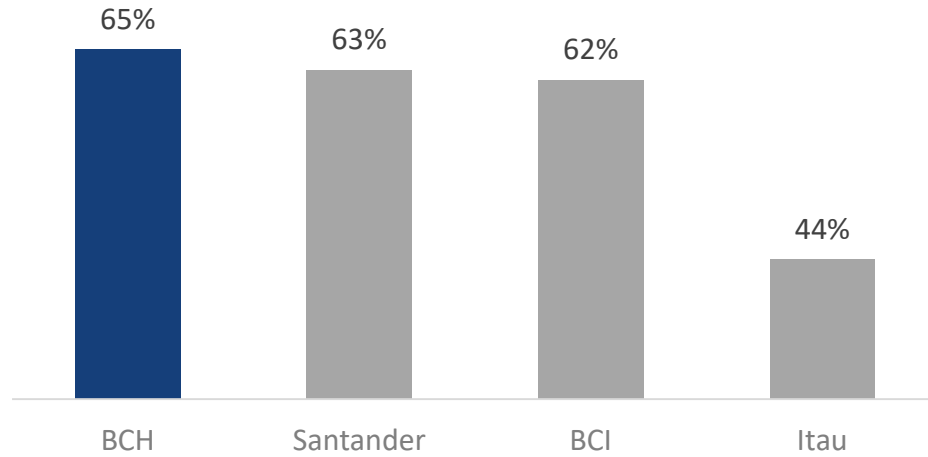
The European, 2021

\* Excludes ATMs transactions.

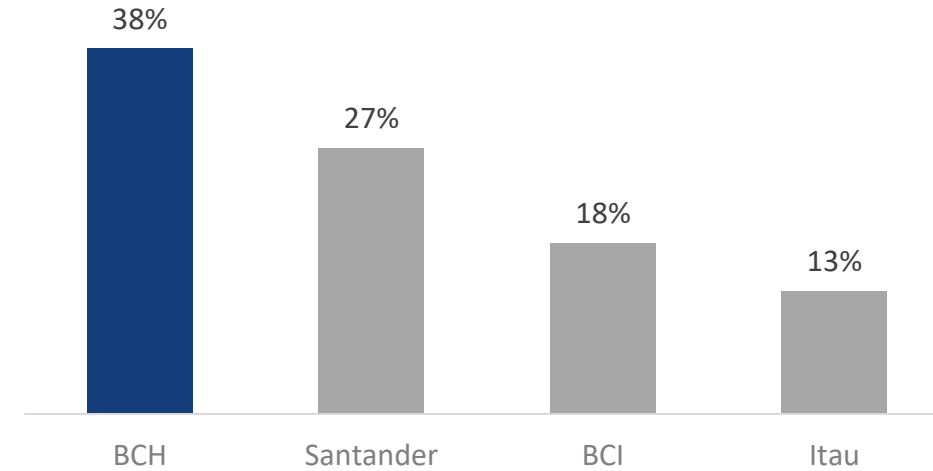


# The best option for customers

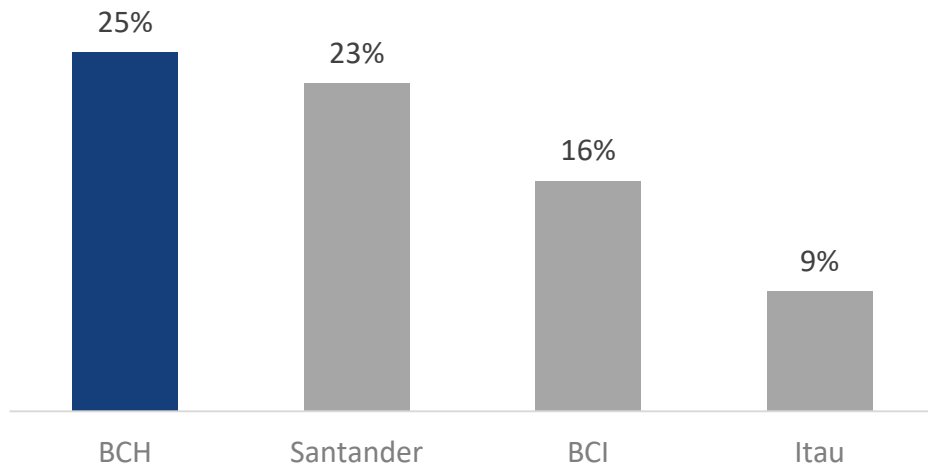
Net Promoter Score<sup>1</sup>  
% total mentions, as of Sep-21



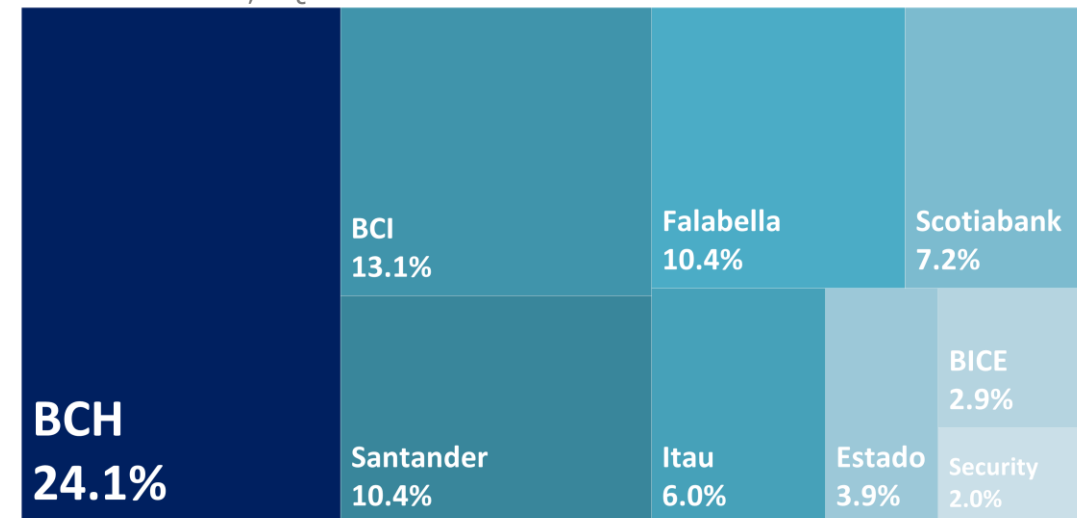
The most competent account managers<sup>2</sup>  
% total mentions, 3Q21



The most transparent and reliable bank<sup>2</sup>  
% total mentions, 3Q21



Preferred bank to change to?<sup>2</sup>  
% total mentions, 3Q21







**Streamlining and automating processes**  
by leveraging technology and simplifying  
procedures



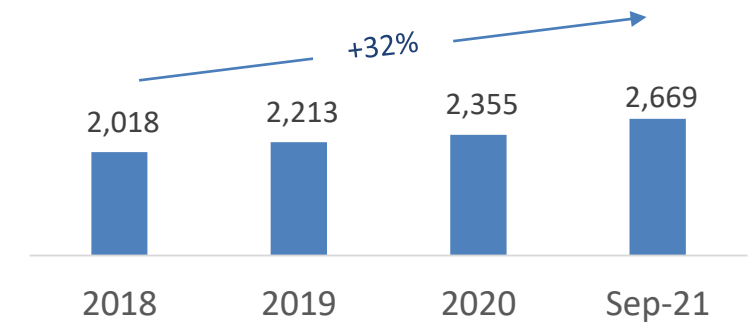
**Optimizing branch network** with a new  
service model and combining consumer  
finance offices with Banco de Chile  
locations



**Productivity and Efficiency Program**  
accelerating the implementation of  
optimization projects to reduce overall  
expenses

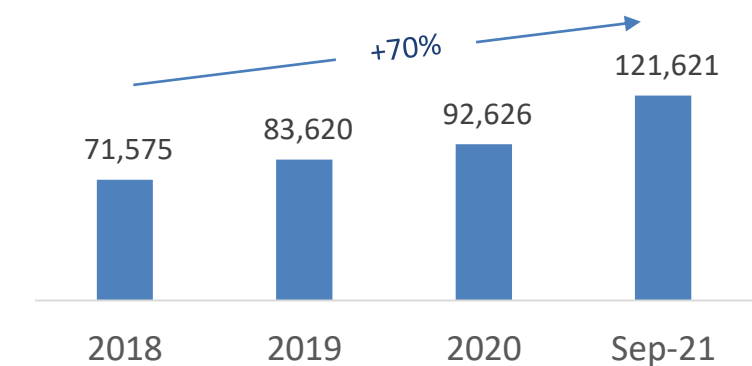
Loans per Employee

Millions of CLP

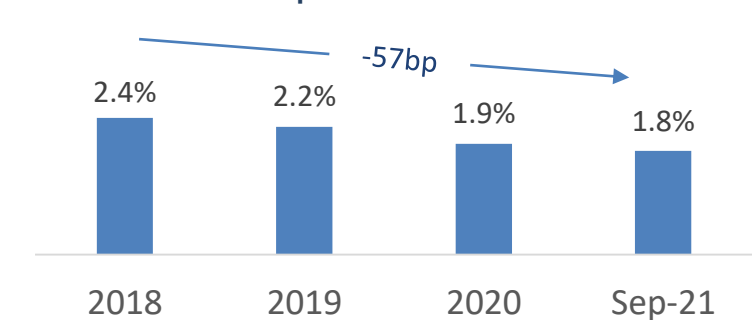


Loans per Branches

Millions of CLP



Total Expenses to Assets





### Support to SMEs

- US\$1.8 billion<sup>1</sup> in **Fogape Reactiva** loans granted to support SMEs.
- 23,515 participants in the **6th National Entrepreneur Challenge**.

### Community

- 5,000 people benefited from our **Financial Education** Program “*Cuentas con el Chile*”.
- Creation of a **Policy of Inclusion, Non-Discrimination and Diversity**.



### Sustainable Finance

- Our workers were trained in **Social and Environmental Risk Analysis** by the **United Nations Environment Programme Finance Initiative** (UNEP FI).
- In Aug-21 we issued a **Social Bond** that will be used to finance **female micro-entrepreneurs**.



As of Sep 21, Banco de Chile received a **rating of A** in the **MSCI ESG Ratings**, an **upgrade of three notches** in comparison to the prior rating action.<sup>2</sup>



### 2021 Awards

**Bank of The Year** – The European  
**Innovative Digital Banking** – The European  
**Best Bank for Financial Inclusion** – The European  
**#1 Bank in Attracting & Retaining Talent** – Merco  
**Best Bank in Chile** – Global Finance



Member of  
**Dow Jones Sustainability Indices**  
 Powered by the S&P Global CSA







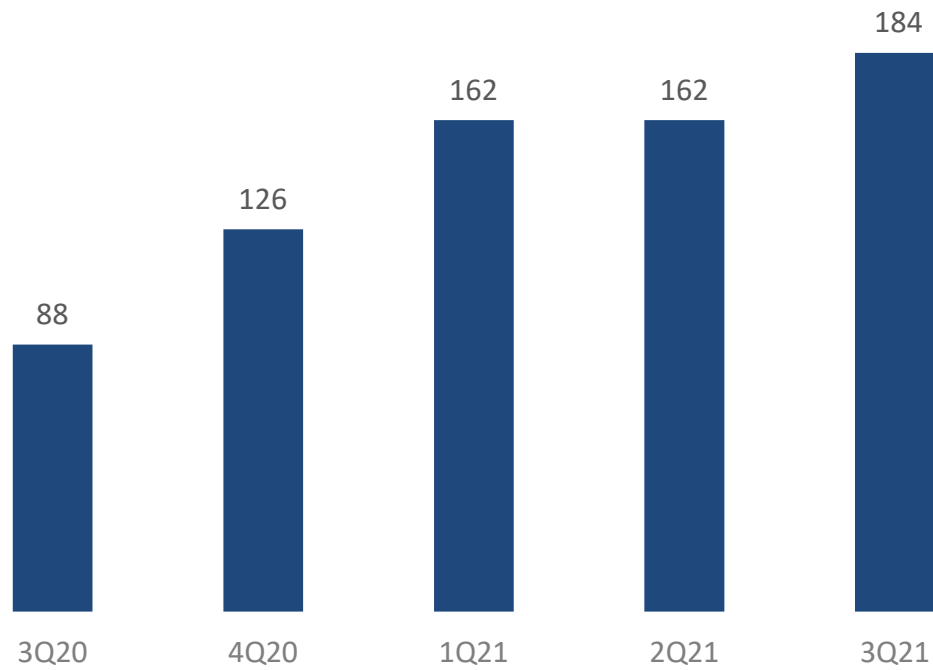
Banco de Chile

## 3Q21 Financial Results



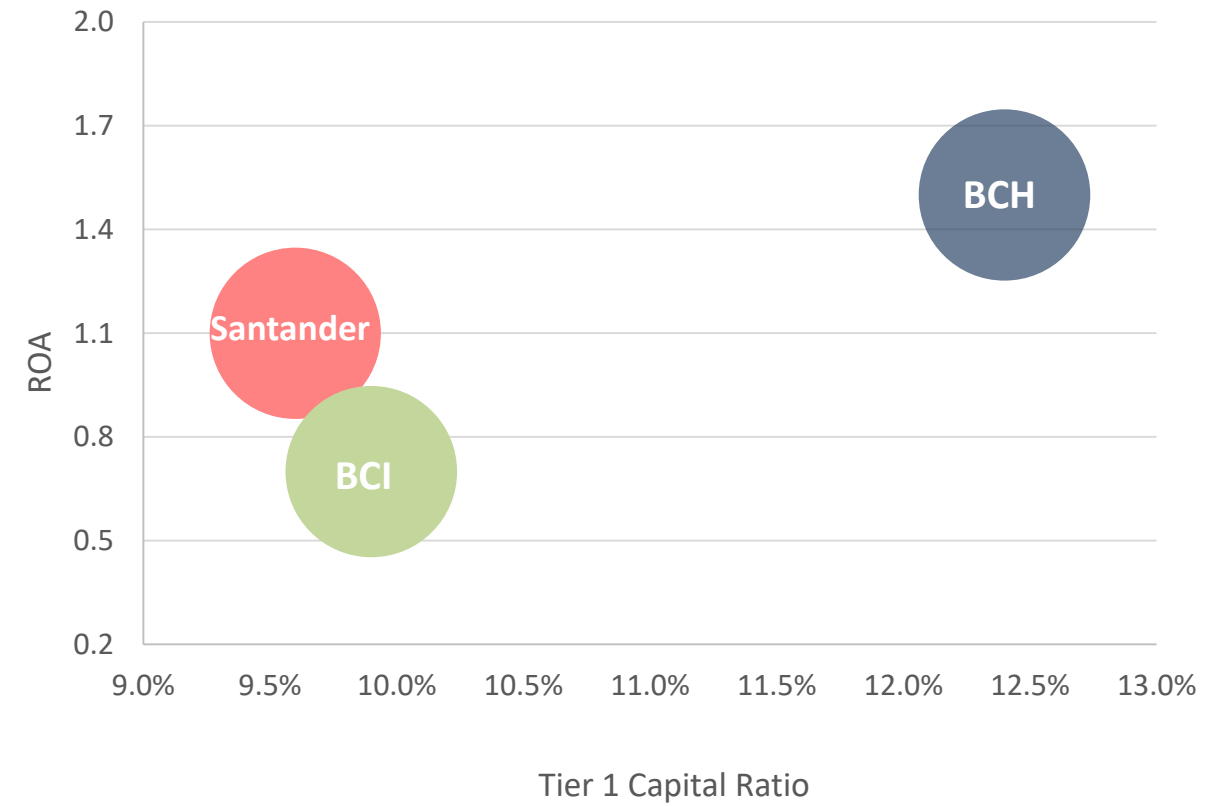
# Best risk return relationship

Quarterly Net Income<sup>1</sup>  
Billions of CLP



ROAE <sup>1</sup>	9.8%	13.7%	17.3%	16.8%	18.6%
ROA	0.8%	1.1%	1.4%	1.4%	1.5%

Leader in Profitability and Capital  
3Q21



1. Net income attributable to equity holders.





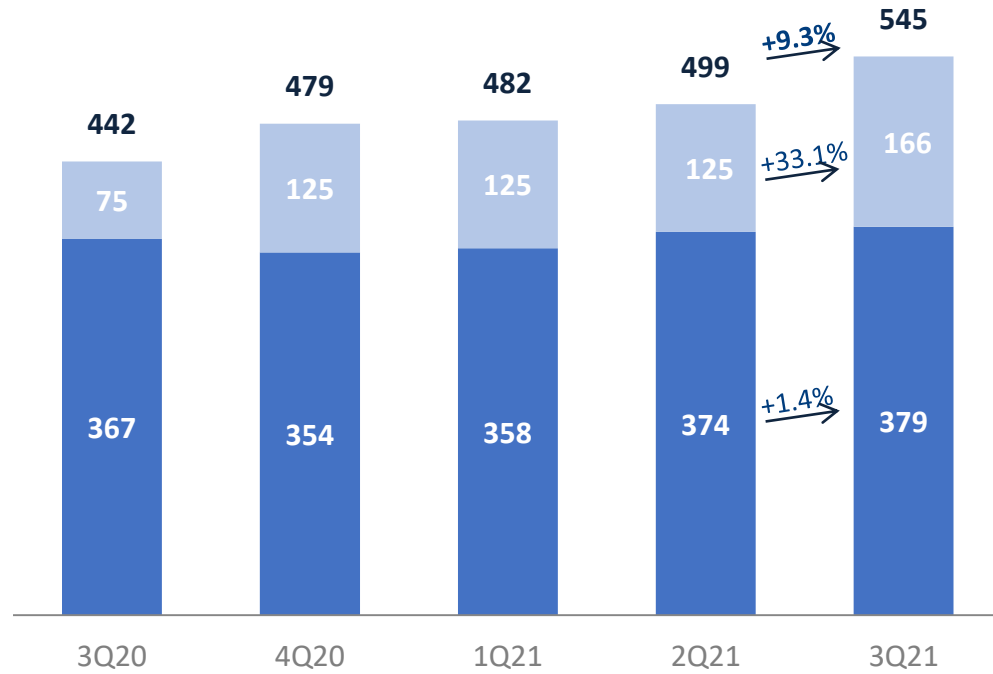
# Solid income generation

6%

## Quarterly Operating Revenues

Billions of CLP

■ Customer Income ■ Non-customer Income



ΔUF

0.0%

1.3%

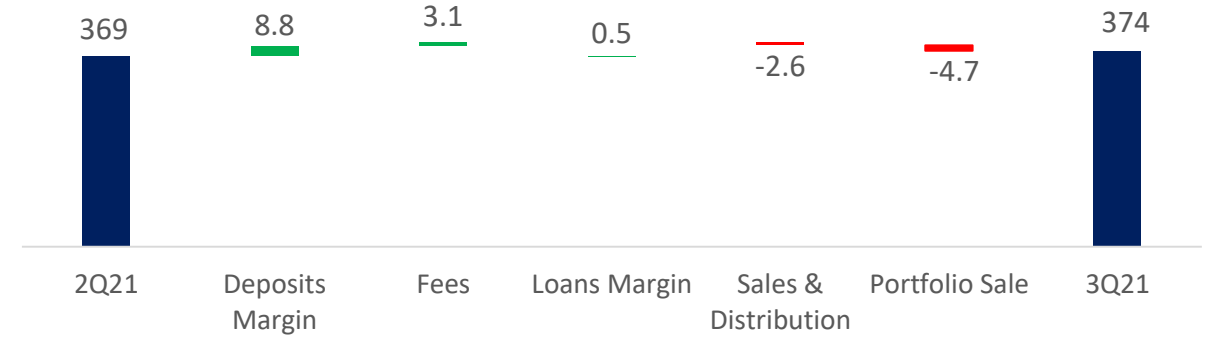
1.1%

1.1%

1.3%

## Customer Income Breakdown

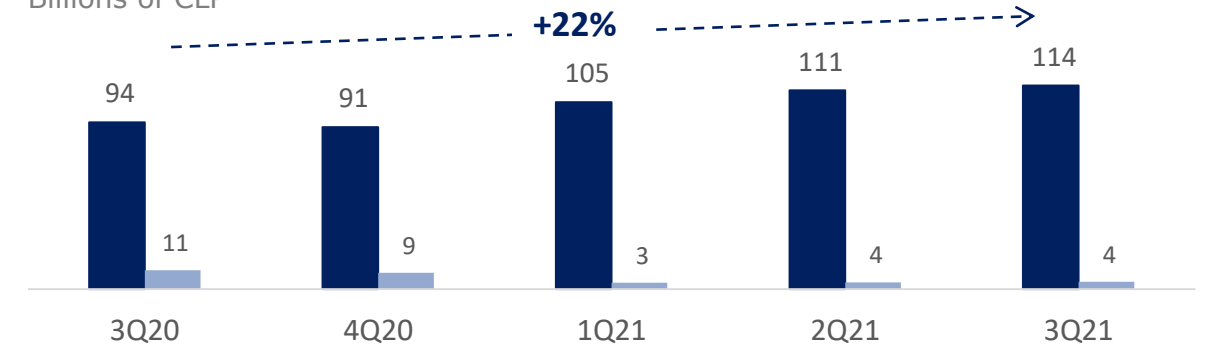
Billions of CLP



## Net Fees Income Evolution

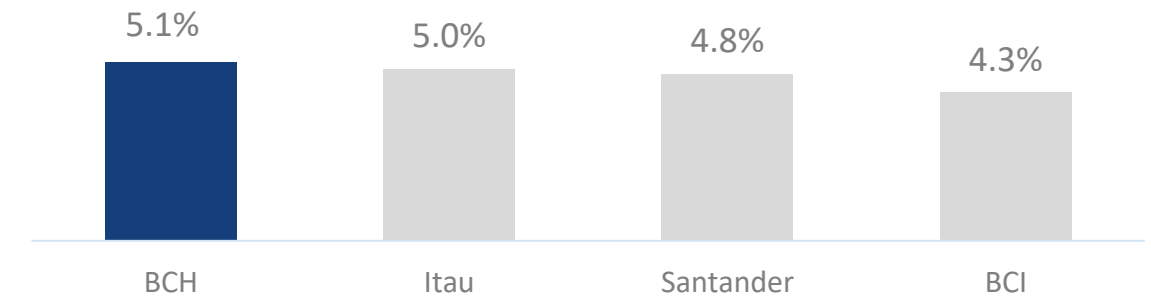
Billions of CLP

■ Recurrent Fees ■ Insurance Alliance Fee



## Operating Margin

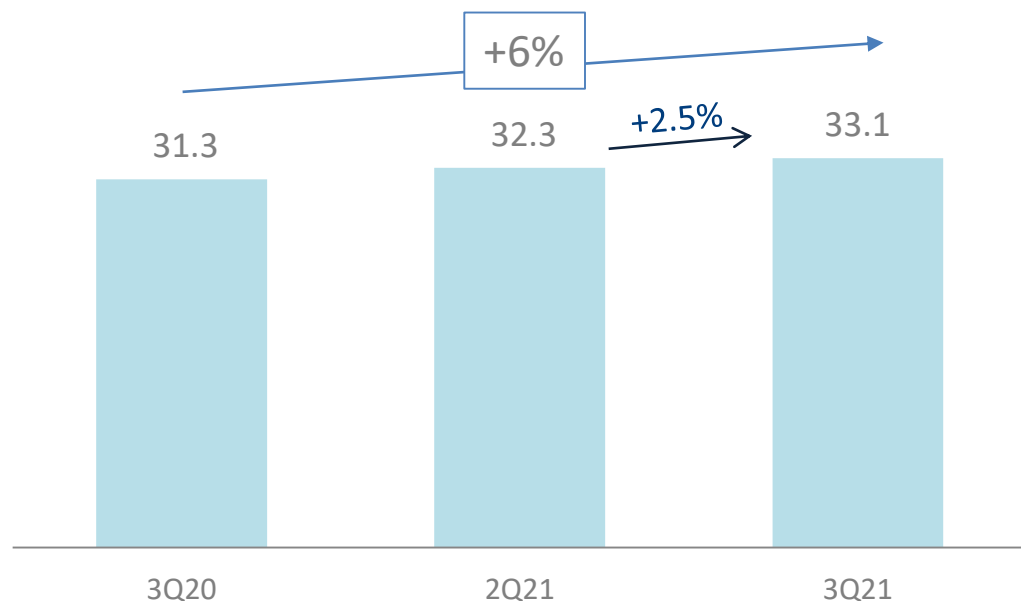
Operating Income/Avg. Interest Earnings Assets, 3Q21 Annualized.



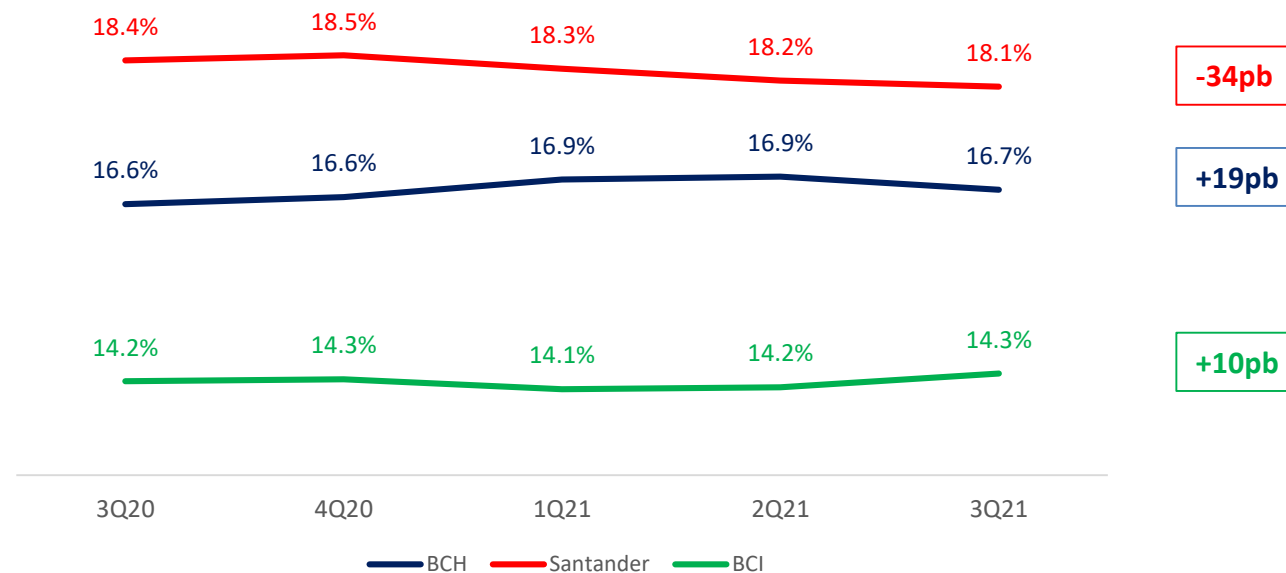


# Strong loan growth in all segments

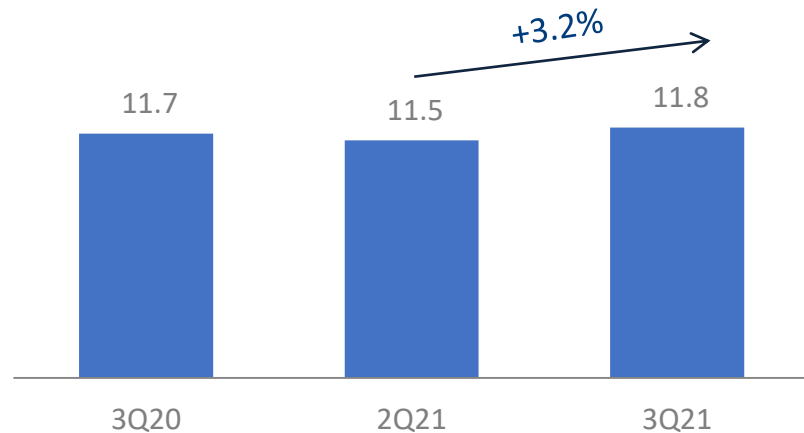
Total Loans  
Trillions of CLP



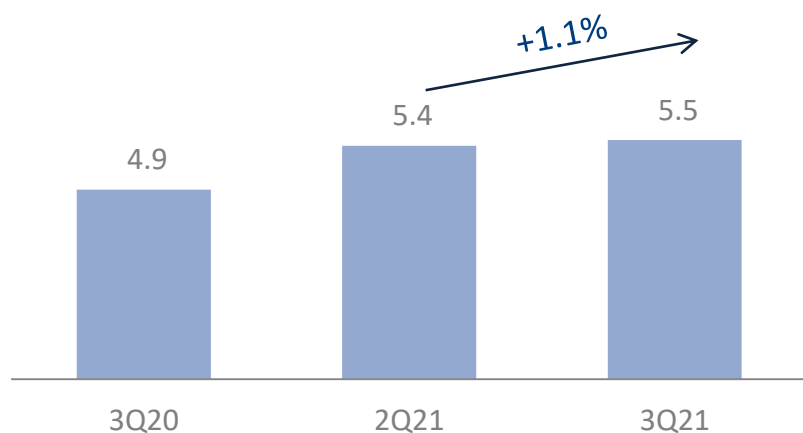
Loan Market Share Evolution<sup>1</sup>



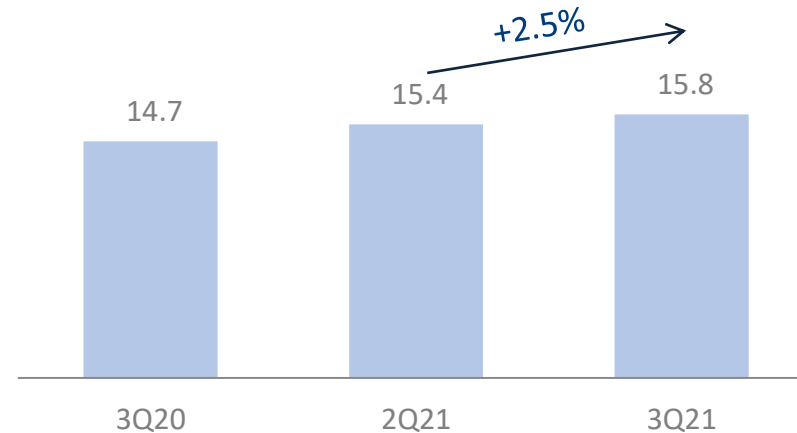
Wholesale Banking Loans  
Trillions of CLP



SME Banking Loans  
Trillions of CLP



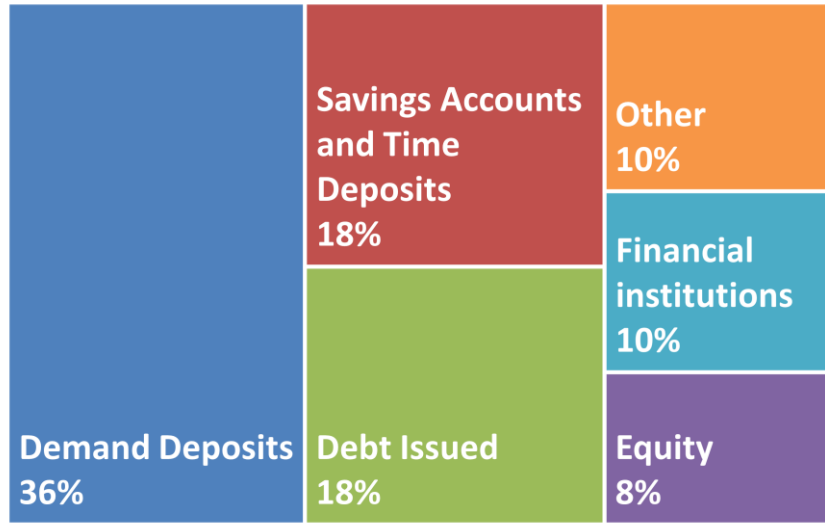
Personal Banking Loans  
Trillions of CLP



1. Excludes foreign subsidiaries.

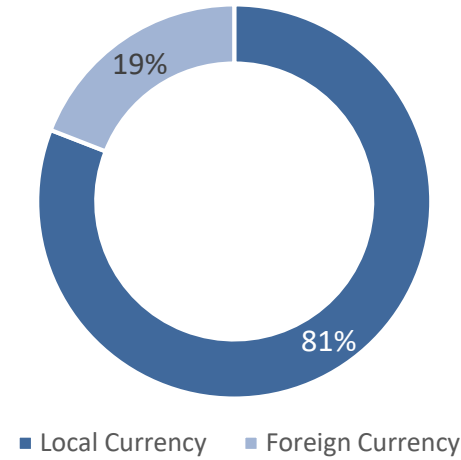
## Liability Structure

% Over Total Assets, as of September 2021



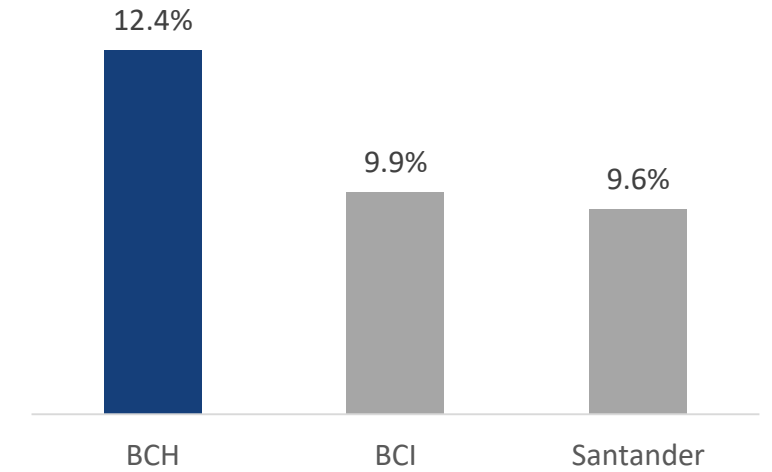
## Bond Profile by Currency

% of total outstanding bonds



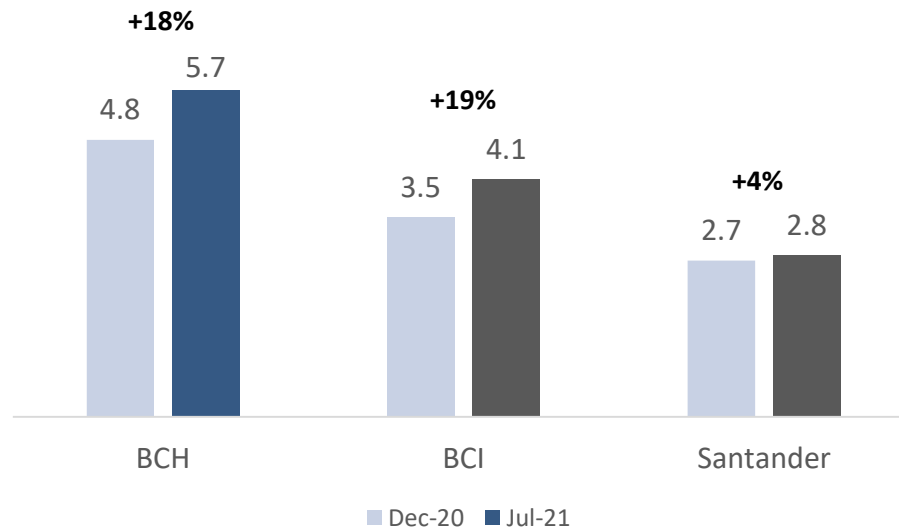
## Tier I Capital Ratio

3Q21



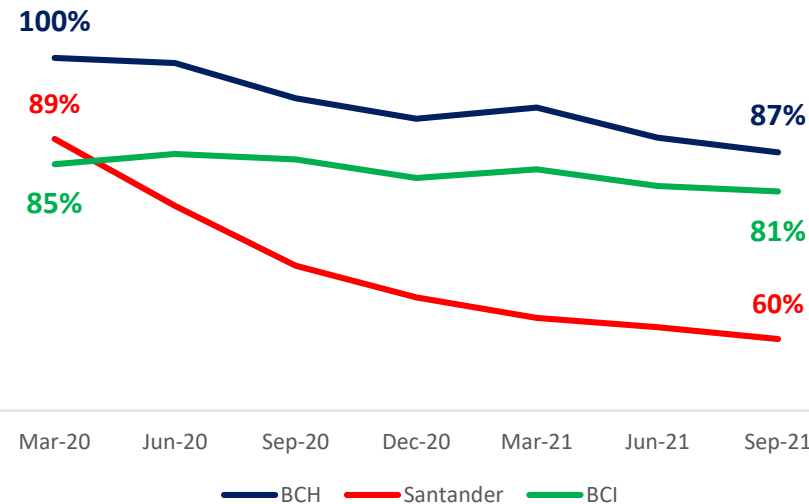
## Personal Banking Current Accounts

Average balance per account, millions of CLP



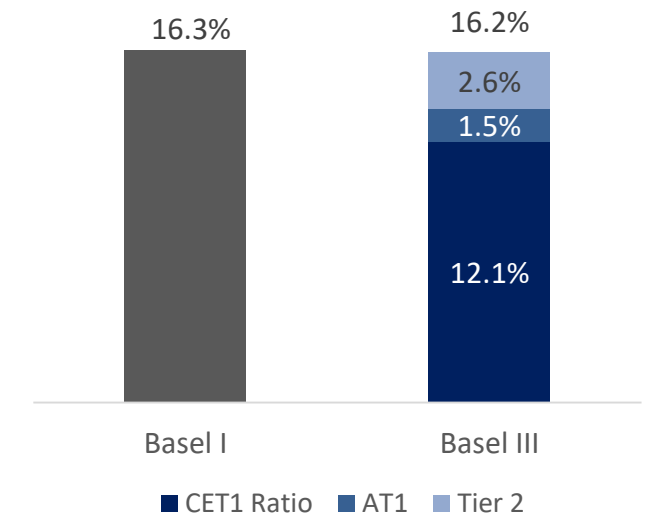
## Mortgage Loan Funding Gap

Bonds/Mortgage



## Basel Ratio

September 2021

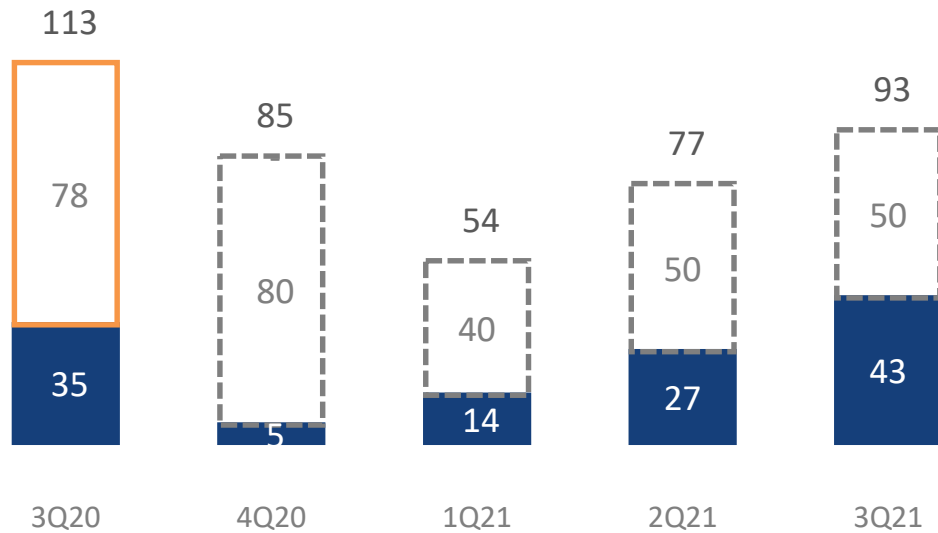




## Loan Loss Provisions

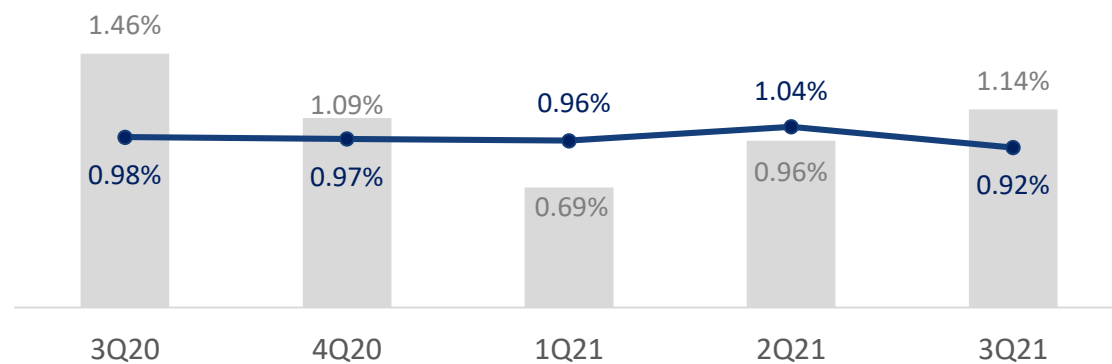
Billions of CLP

Proactive Risk Model Adjustment Add Prov Loan Loss Provision



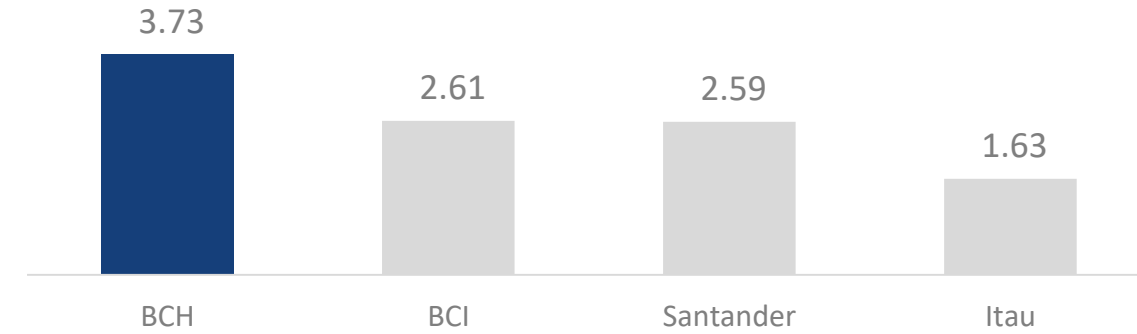
## Asset Quality Indicators

Cost of Risk NPL



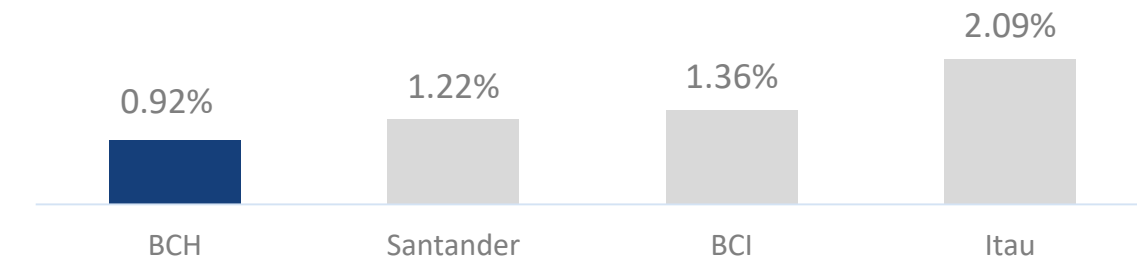
## Coverage Ratio

Allowances for loan losses + Additional Provisions to NPLs, Sept 2021



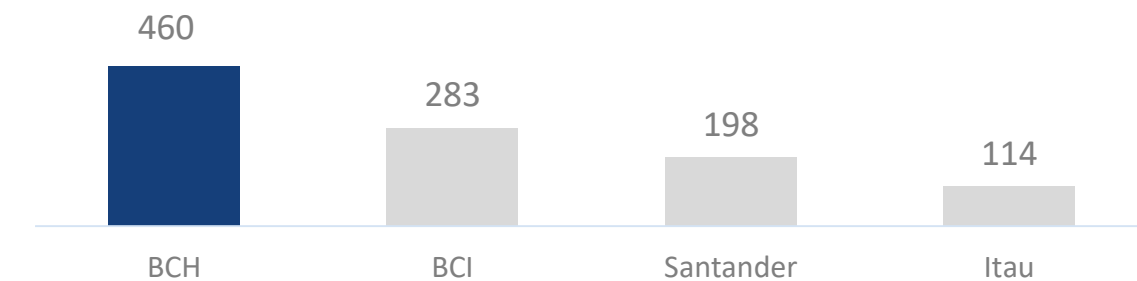
## Delinquency Ratio

NPLs to Total Loans, Sept 2021



## Additional Provisions

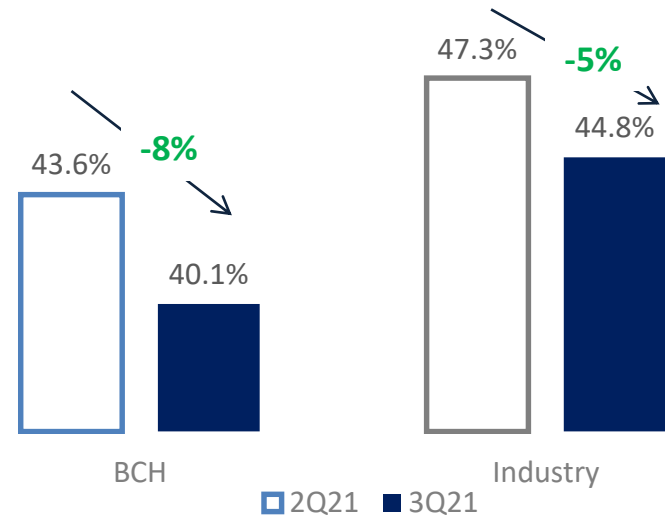
Billions of CLP, Sept 2021



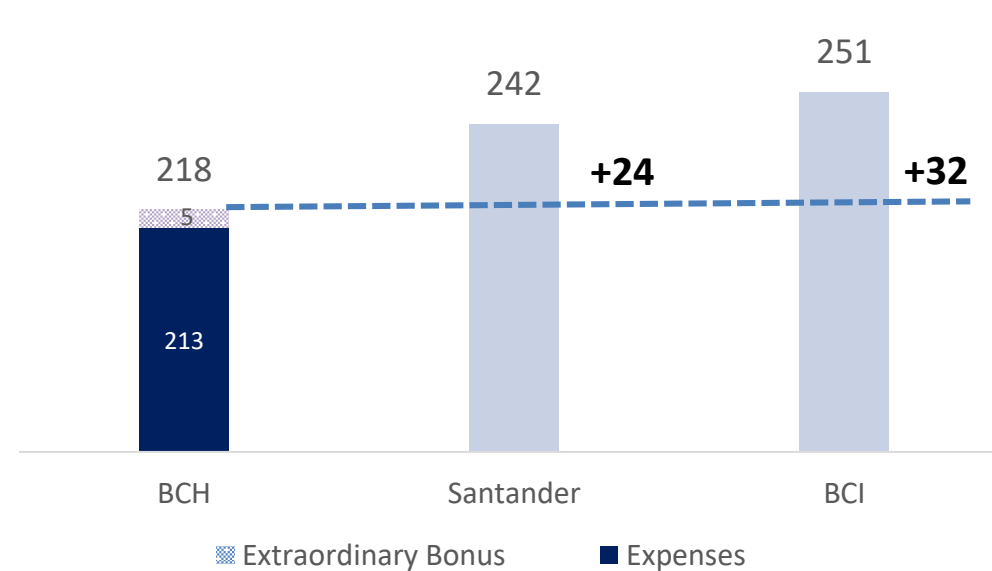


# Efficiency driven by cost control initiatives and strong operating revenues

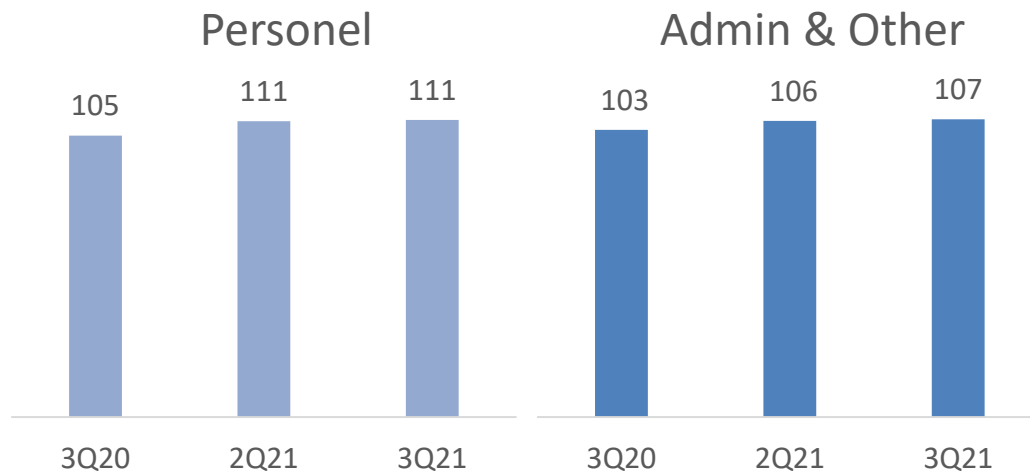
Efficiency Ratio  
Cost to Income



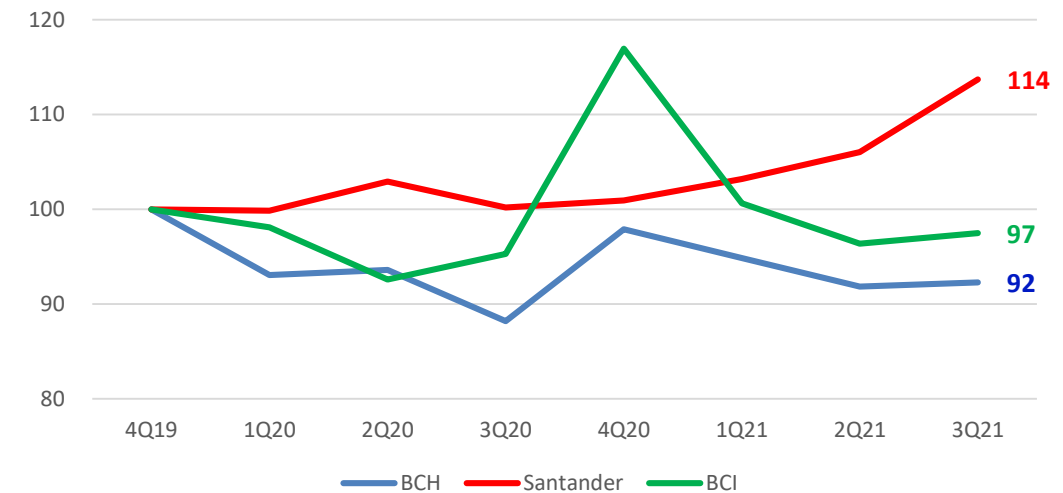
Total Expenses  
Billions of CLP, 3Q21.



Operating Expenses  
Billions of CLP



Comparison to Peers  
Total Expenses, 4Q19=100.

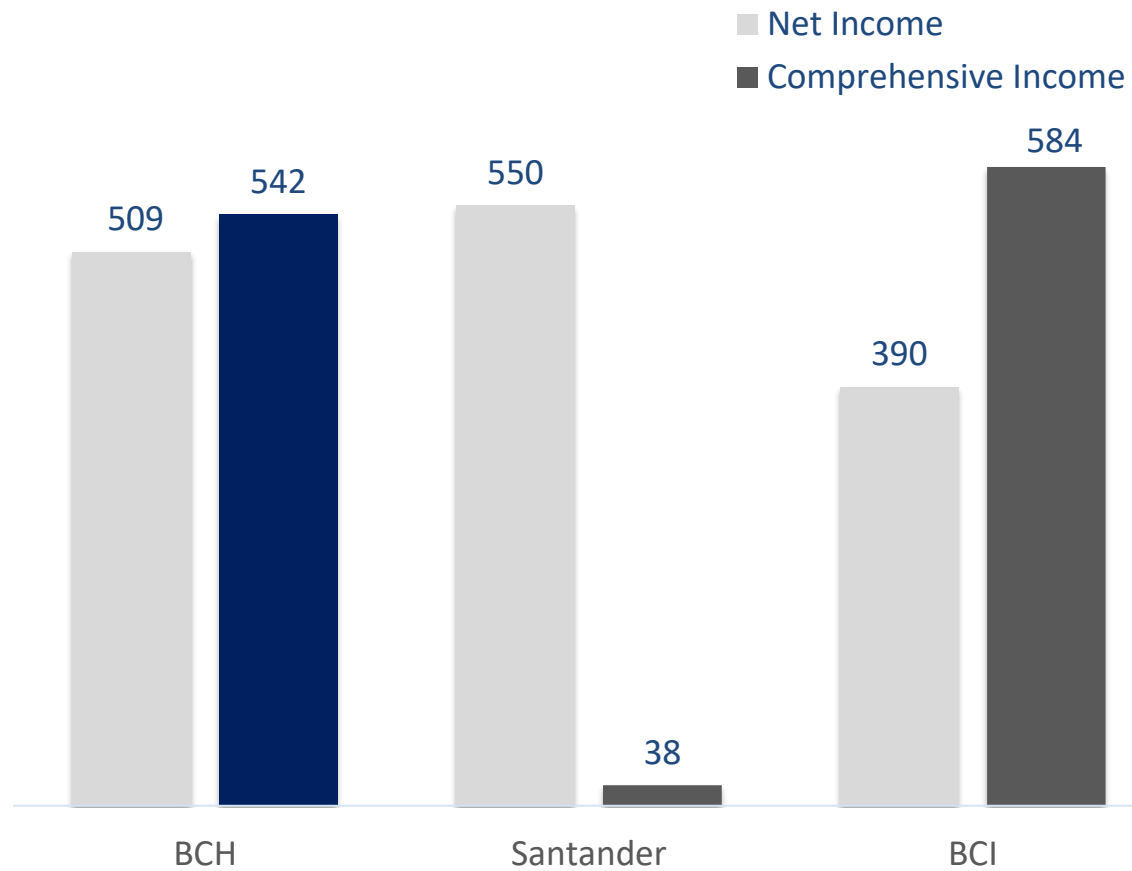




# The most reliable results

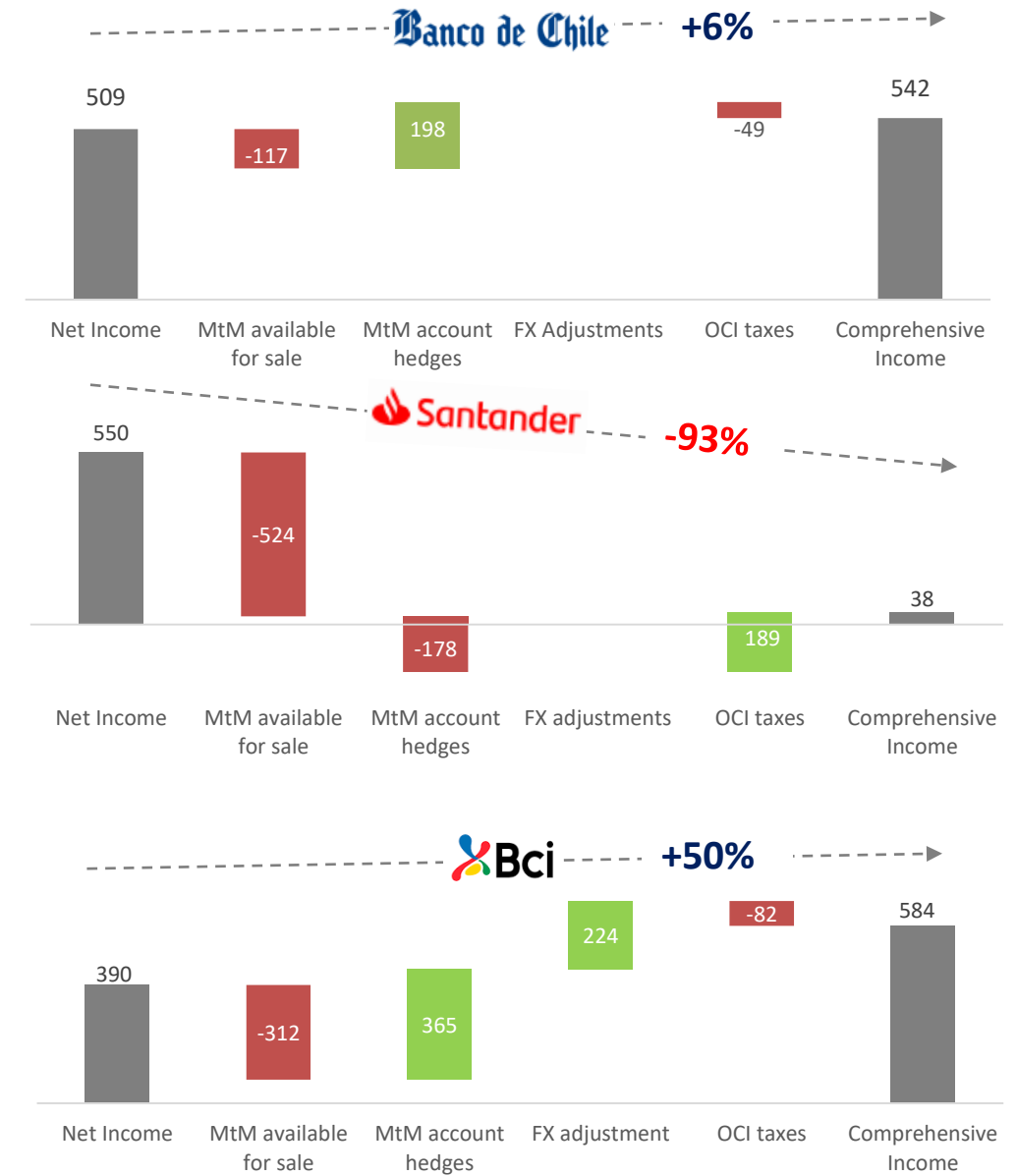
## Net Income and Comprehensive Income

Billions of CLP, YTD



## Breakdown of Comprehensive Income

Billions of CLP, YTD







- Consumption driving GDP recovering in 2021 to **~11.0%**.
- **Inflation** for 2021 at **~5.8%**.
- **Best track record of profitability and strongest capitalization.**
- **Lowest NPL** ratio among peers of **0.9%**.
- 2022 industry **loan growth** of **~6%**. We expect to **pick up market share.**
- Medium term sustainable level of **Cost of Risk** around **1.1 – 1.0%**
- Long-term **ROAE** should return to similar levels of **prior the pandemic.**



## Appendix: Main Financial Indicators

Key Performance Ratios	3Q20	Quarter 2Q21	3Q21	Year Ended Sep-20	Jun-21	Sep-21
<b>Earnings per Share <sup>(1) (2)</sup></b>						
Net income per Share (Ch\$)	0.87	1.61	1.82	3.33	3.22	5.04
Net income per ADS (Ch\$)	174.70	321.48	364.76	666.86	643.20	1,007.96
Net income per ADS (US\$)	0.22	0.44	0.45	0.85	0.88	1.24
Book value per Share (Ch\$)	35.95	38.94	40.01	35.95	38.94	40.01
Shares outstanding (Millions)	101,017	101,017	101,017	101,017	101,017	101,017
<b>Profitability Ratios <sup>(3)(4)</sup></b>						
Net Interest Margin	3.08%	3.39%	3.61%	3.56%	3.41%	3.48%
Net Financial Margin	3.48%	3.71%	3.97%	3.96%	3.72%	3.81%
Fees & Comm. / Avg. Interest Earnings Assets	1.10%	1.14%	1.12%	1.26%	1.12%	1.12%
Operating Revs. / Avg. Interest Earnings Assets	4.68%	4.94%	5.17%	5.31%	4.93%	5.01%
Return on Average Total Assets	0.79%	1.41%	1.53%	1.01%	1.43%	1.46%
Return on Average Equity	9.79%	16.76%	18.57%	12.50%	17.00%	17.54%
<b>Capital Ratios</b>						
Equity / Total Assets	8.01%	8.31%	8.21%	8.01%	8.31%	8.21%
Tier I (Basic Capital) / Total Assets	7.56%	7.72%	7.71%	7.56%	7.72%	7.71%
Tier I (Basic Capital) / Risk-Weighted Assets	11.59%	12.51%	12.44%	11.59%	12.51%	12.44%
Total Capital / Risk- Weighted Assets	14.98%	16.42%	16.30%	14.98%	16.42%	16.30%

(1) Figures are expressed in nominal Chilean pesos.

(2) Figures are calculated considering nominal net income, the shares outstanding and the exchange rate existing at the end of each period.

(3) Ratios consider daily average balances.

(4) Annualized data.



## Appendix: Main Financial Indicators

Key Performance Ratios	3Q20	Quarter 2Q21	3Q21	Sep-20	Year Ended Jun-21	Sep-21
<b>Credit Quality Ratios</b>						
Total Past Due / Total Loans to Customers	0.98%	1.04%	0.92%	0.98%	1.04%	0.92%
Allowance for Loan Losses / Total Past Due <sup>(5)</sup>	329.70%	325.74%	372.56%	329.70%	325.74%	372.56%
Impaired Loans / Total Loans to Customers	4.11%	3.23%	3.00%	4.11%	3.23%	3.00%
Loan Loss Allowances / Impaired Loans	59.52%	65.91%	68.18%	59.52%	65.91%	68.18%
Loan Loss Allowances / Total Loans to Customers	2.45%	2.13%	2.04%	2.45%	2.13%	2.04%
Loan Loss Provisions / Avg. Loans to Customers <sup>(4)</sup>	1.46%	0.96%	1.14%	1.65%	0.83%	0.93%
<b>Operating and Productivity Ratios</b>						
Operating Expenses / Operating Revenues	47.20%	43.59%	40.09%	44.58%	45.04%	43.27%
Operating Expenses / Average Total Assets <sup>(3) (4)</sup>	1.86%	1.88%	1.81%	1.95%	1.94%	1.90%
<b>Balance Sheet Data <sup>(1)(3)</sup></b>						
Avg. Interest Earnings Assets (million Ch\$)	37,831,844	40,360,140	42,184,569	36,667,800	39,799,005	40,594,193
Avg. Assets (million Ch\$)	44,793,380	46,138,598	48,266,736	44,395,250	45,539,598	46,448,644
Avg. Equity (million Ch\$)	3,604,924	3,875,844	3,968,616	3,592,463	3,821,703	3,870,674
Avg. Loans to Customers (million Ch\$)	30,911,720	31,976,113	32,663,446	30,555,285	31,618,251	31,966,649
Avg. Interest Bearing Liabilities (million Ch\$)	22,276,803	21,639,857	22,279,263	22,678,963	21,414,832	21,702,975
Risk-Weighted Assets (Million Ch\$)	31,340,664	31,440,210	32,491,090	31,340,664	31,440,210	32,491,090
<b>Additional Data</b>						
Exchange rate (Ch\$/US\$)	784.31	734.00	811.60	784.31	734.00	811.60
Employees (#)	13,325	12,404	12,395	13,325	12,404	12,395
Branches (#)	335	277	272	335	277	272

(1) Figures are expressed in nominal Chilean pesos.

(2) Figures are calculated considering nominal net income, the shares outstanding and the exchange rate existing at the end of each period.

(3) Ratios consider daily average balances.

(4) Annualized data.





## | Forward Looking Information

The information contained herein incorporates by reference statements which constitute “forward-looking statements,” in that they include statements regarding the intent, belief or current expectations of our directors and officers with respect to our future operating performance. Such statements include any forecasts, projections and descriptions of anticipated cost savings or other synergies. You should be aware that any such forward-looking statements are not guarantees of future performance and may involve risks and uncertainties, and that actual results may differ from those set forth in the forward-looking statements as a result of various factors (including, without limitations, the actions of competitors, future global economic conditions, market conditions, foreign exchange rates, and operating and financial risks related to managing growth and integrating acquired businesses), many of which are beyond our control. The occurrence of any such factors not currently expected by us would significantly alter the results set forth in these statements. Factors that could cause actual results to differ materially and adversely include, but are not limited to:

- *Changes in general economic, business or political or other conditions in Chile or changes in general economic or business conditions in Latin America.*
- *Changes in capital markets in general that may affect policies or attitudes toward lending to Chile or Chilean companies.*
- *Unexpected developments in certain existing litigation.*
- *Increased costs.*
- *Unanticipated increases in financing and other costs or the inability to obtain additional debt or equity financing on attractive terms.*

You should not place undue reliance on such statements, which speak only as of the date that they were made. Our independent public accountants have not examined or compiled the forward-looking statements and, accordingly, do not provide any assurance with respect to such statements. These cautionary statements should be considered in connection with any written or oral forward-looking statements that we may issue in the future. We do not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

